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RECALL OF ESCOBAR IS ARGENTINE REPLY TO PRESSURE BY U.S.

Buenos Aires Confirms Action As 'First Measure' Against Hull's Statement

Special to the Nippon Times

LISBON, July 25.—The recall of Adrian Escobar, Argentine Ambassador to Washington, was confirmed by the Argentine Foreign Office in its statement today which declared that his recall was the "first measure" and reply to the recent statement by Cordell Hull, U.S. Secretary of State, "which the people and Government of Argentina could not accept without injury to their dignity," according to a Buenos Aires dispatch.

The statement added that, on July 26, Foreign Minister Colonel Juan Peron will make a detailed statement on the Argentine foreign policy with regard, especially, to United States-Argentina relations.

Political circles here regard Escobar's recall, which is not yet clear whether it is to be merely temporary or de facto, as the stiffening of Argentina's attitude toward the United States which, depending upon Escobar's report to the Argentine Government, may bring further Argentine measures.

U.S. Recalled Armour

The United States Government has not recognized the Farrell Government since its creation and Norman Armour, United States Ambassador to Buenos Aires, it is recalled, was recalled about a month ago.

The Argentine announcement said that the decision was taken "in view of the statement regarding Argentina's position attributed to Cordell Hull, United States Secretary of State."

Although the announcement failed to specify the statements, it apparently referred to the dispatches from Washington which said that Hull disclosed yesterday that the State Department had sent a report to all Latin-American countries setting forth Washington's views on Argentina.

The Washington dispatch said that at a press conference yesterday, Hull declared that the United States was making known the basic policies which separate the attitude of the American nations supporting the anti-Axis cause and the attitude of the American nations supporting "another cause." These high-handed tactics apparently were the straw which finally broke Argentina's patience which consummated in its decisive action.

Meanwhile, a London dispatch said that Sir David Kelly, British Ambassador to Argentina, has returned to London for "consultations." It is learned, however, that although Britain has thus far cooperated with the United States in the pressure against the Argentine Government their interests in regard to the South American country do not essentially agree and even in the recall of Sir Kelly the British Government had done so hesitatingly.

It is assumed in political circles here that with the further aggravation of relations between the United States and Argentina, the British Government will endeavor merely to occupy the seat of a spectator.

U.S. Studying Situation

Special to the Nippon Times

LISBON, July 25.—Secretary of State Cordell Hull, at his press conference today, stated that the United States in collaboration with the other American republics is continuing to study the Argentine situation, according to a Washington report received here.

Hull emphasized that consultations to study the Argentine situation are on a completely cooperative basis and that the United States is only one of the many American governments conferring with each other on the subject.

He, furthermore, declared that all the governments of the hemisphere were concerned because the Argentine situation is related directly to the prosecution of the war. Hull added that the consultation and the collaboration among the American republics were intended to clarify the situation in view of what he termed the misunderstanding and confusion created by harmful sources.

He also said that an effort was being made to define the basic policies which separates the attitudes of those American nations supporting the anti-Axis cause and those concerned with other causes.

He made this remark in response to questions about a report that the United States will send missions to the other American capitals with memorandums on the Argentine situation.

Envoys of Germany, Thailand and China Call on Shigemitsu

H. G. Stahmer, German Ambassador to Tokyo, called on Mamoru Shigemitsu, Foreign Minister and concurrently Minister of Greater East Asiatic Affairs, at 4 p.m. on Wednesday at his official residence and conferred for about half an hour. At 5 p.m., Thai Ambassador Wichit Wichit-Wathakan, also visited Mr. Shigemitsu at his official residence and conferred. On Tuesday at 5 p.m., Chinese Ambassador Tsai Pei, paid a visit to Mr. Shigemitsu and congratulated him upon his assumption of the post of Foreign Minister and concurrently the post of Minister of Greater East Asiatic Affairs.

BULGARIA DECIDES TO STAY NEUTRAL

Will Adjust Relations With Turkey With Understanding of Germany

Domei

BUDAPEST, July 25.—The attitudes of the Bulgarian Government and Ankara have been attracting wide attention for some time but it is now reported that Bulgaria has decided to maintain strict neutrality in regard to the German-Soviet war and to adjust her diplomatic relations with the Turkish Government. The Bulgarian Government is therefore not likely to depart from the Axis camp.

It is specially noteworthy that the change in Bulgaria's diplomatic policy has been effected with the understanding of Germany. Presumably the German Government has approved this new policy, which attempts to counteract the Soviet pressure by maintaining strict neutrality, from the point of view of avoiding new difficulties in southeastern Europe.

As a result of Bulgaria's recent move, the main defense forces at Varna and Burgas harbors on the Black Sea have been handed over to Bulgaria by Germany. Furthermore, black-out in the harbor area has been lifted.

According to United Press dispatches from Ankara, the Bulgarian Government is reported to have basically complied with the Soviet Union's demand that German forces be withdrawn from Bulgarian naval and air bases. It is thought that Bulgaria was threatened with war in case she refused to comply with the demand.

In the meantime, the Bulgarian Government, which has reorganized its police force, has been carrying on a vigorous campaign against Communist elements. Due to the Government's strenuous efforts the number of Communists operating in the mountains has been reduced to some 6,000.

It is understood that relations between the Turkish Government and Bulgaria have been bettered through the good offices of the German Government. However, the fact that closer relations have been effected between Bulgaria and Turkey with the conclusion of the trade agreement a few days prior to the Anglo-American demand that Bulgaria join their camp, and threatening severance of Bulgaria's economic relations with other countries of Europe in case it was not complied with, reflects the recent policy of Bulgaria.

The Bulgarian Minister to Ankara has now returned to Sofia and since July 15 important conferences were held daily among Prince Regent Cyril, Prime Minister Ivan Bagrianoff, Foreign Minister Perven Draganoff and Home Minister Alexander Stanisheff, who is said to be sympathetic toward Germany. The point of the Turkish-Bulgarian entaglement still lacks clarity and it is reported that a secret agreement has already been drawn up to strengthen the Non-Aggression Pact of February 1941. However, in the final analysis it looks as if the Bulgarian Government is seeking to stave off the threatened anti-Axis invasion by utilizing Turkey while the latter, through the cooperation of the Bulgarian Government whose neutral stand has been made clear, is endeavoring to strengthen her own stand of neutrality and to defer replying to the anti-Axis demand for participation in the war The con-sensus of opinion seems to have been reached on this point.

The German Government is said to welcome the guarantee of neutrality in Southeastern Europe. At any rate, it is worthy of note that the Bulgarian Government has played an important part in the determination of Turkey's stand.

DECREE TO EFFECT ALL-OUT ENDEAVOR ISSUED BY FUEHRER

Entire Public Life in Reich, Occupied Areas to Be Adapted To Total War Efforts

Domei

FUEHRER'S HEADQUARTERS, July 25.—Revealing Germany's firm determination to win the war, Chancellor Adolf Hitler today issued a decree for effecting all-out war efforts for the area of the greater German Reich, and the annexed and occupied territories. The essential stipulations of the decree follow:

"The war situation compels us to complete the mobilization of all resources for the armed forces and armament industry. I, therefore, decree:

"1. The Chairman of the Minister Council of Reich Defense, Grand Marshal Hermann Goering, is to adapt the entire public life to the requirements of all-out war efforts in every respect. To execute this measure he proposes a 'Reich Commissioner for All-Out War Efforts.'

"This commissioner has to see to it that all public services are adapted to these all-out war efforts and that the armed forces and the armament industry are not deprived of any manpower. He has to re-examine the entire State services including railways, postal service and all public institutions and plants with the aim of releasing the maximum manpower for the armed forces and the armament industry by applying the greatest economy in men and by closing down and restricting the activities of the organizations of lesser war importance and by simplifying all organizational methods and procedures.

"For these purposes he may request information from the highest Reich authorities and give them instructions. The legal provisions and fundamental administrative ordinances, to be thereupon issued by the highest Reich authorities, will be published with the concurrence of the Reich Minister and Chief of the Reich Chancellory, the head of the Party Chancellory, and the General Commissioner of the Reich Administration.

"2. The head of the Party Chancellory, by employing the party in keeping with the authority vested upon him, will energetically support the measures I have ordered."

Meanwhile, in accordance with this decree, the Fuehrer, acting in accordance with the suggestion made by Grand Marshal Goering, appointed Dr. Joseph Goebbels, Reich Minister of Propaganda and National Enlightenment, as Reich Commissioner for All-Out War Efforts.

Goebbels to Broadcast

Domei

BERLIN, July 25.—Dr. Joseph Goebbels, new Reich Commissioner for All-Out War Effort, will probably speak over the radio tomorrow and inform the German people about the new task which the Fuehrer conferred on him.

Dr. Goebbels who now holds extraordinary power in his hands will no doubt in thorough-going manner adapt to the absolute necessities of life in all fields not only in Germany, but also in the occupied areas as well. No phase of public life will be left out and simplification will be one of the most important tasks of the Reich commissioner.

He has power to carry out all such measures since the question of competence which hinders the intervention of the state does not exist any more. Sharp measures will be applied everywhere in private business, commerce and transportation as well as in public functions and cultural life.

Dr. Goebbels will tackle this new great task without any bureaucratic hinderances. And he is capable. The manner in which he handled his offices as Reich Defense Commissioner for Berlin in which he took measures against bomb war and as the city president clearly showed his working methods. In both instances, Goebbels handled matters with a large clumsy organization but mastered all problems with a very small staff of collaborators.

These new powers conferred upon Dr. Goebbels is the consequence of the July 20 incident which had aroused everywhere in Germany the sense of the necessity for instant action and the call for mobilization of all reserves which was stressed by the whole German press since the abortive plot upon the Fuehrer's life.

Anti-Axis Powers Are Worried Over Chiang-China Red Clash

'Threatens a Division at a Point Vulnerable to Enemy,' Says U.S. Scribe; Masses Under Chungking See No Hope for Future

Special to the Nippon Times

LISBON, July 24.—Stressing the chaotic political conditions in Chungking-controlled China, highlighted by the bitter clash between the Chungking regime and the Communists, Nathaniel Peffer, The New York Times correspondent, wrote in his report recently, "It is a risky situation, one that troubles the leaders of the United Nations and the Chinese since it threatens a division at a point vulnerable to the enemy."

Revealing that the Chinese Communists are extending their power over a large part of Chungking-controlled areas in China under the guise of fighting Japan, much to the consternation of Chiang, Peffer said, "Here is the start of a real struggle for mastery."

"As the situation stands today under the Chungking Kuomintang," he continued, "the peoples can see no hope at all," he said, adding, "If the present conditions are prolonged, there is a possibility that the masses will turn to Communism, not because they believe in it, but because they see in it a better life for themselves."

Peffer's report follows:

Shuns Responsibility

"We have probably exaggerated the fear of the imminence of a civil war in China. It is likely that until the war with Japan is over the Chungking regime and the Chinese Communists will be willing to let the issue lie in abeyance because they are not in a position to do anything else and also because Chungking does not want to assume the onus of precipitating civil war thus impairing its prestige just when the regime, for the first time, has won a position of equality among the anti-Axis Powers as at the time of the Cairo Conference.

"But it cannot be denied that a conflict exists between the Chungking regime and the Chinese Communists, and it is serious and it may bring on a civil war after the World War. In private, this state of affairs is not denied by the Chinese. Between Chungking and the Communists there has been an undeclared but intermittent warfare for many years, but for obvious reason the two bodies came to a temporary peace arrangement.

"The Communists even received money and arms from Chungking, and they fought magnificently. Most of the guerilla activity was organized by them and most of the work of organizing popular resistance was carried out by them. And it was the latter activity of the Communists that brought on the resumption of friction.

"For, in organizing popular resistance, the Communists inevitably extended their power and influence. Chungking became suspicious. First, it sought to circumscribe their activities, then it cut off the supplies of money and arms. Subsequently, there were open skirmishes with each side blaming the other.

Caused Criticism

"Finally, there was a pitched battle, and the Communist Fourth Army was wiped out by the Chungking troops. Since then, there has been, at the best, an armed truce. The Communist army is back in Shensi Province. However, cutting it off from the rest of the country is a Chungking force numbering several thousand men. This is what caused so much of the criticism of Chungking.

"Chungking officials admit that the force is there, but assert that its purpose is to guard against the Japanese incursion from the northwest. Whether this is sincere or not, the explanation leaves the foreigners in Chungking politely skeptical.

"It is a risky situation, one that troubles the leaders of the United Nations and the Chinese since it threatens a division at a point vulnerable to the enemy. It is a situation for which it would be difficult to find a solution.

"On the one hand, from every logical, legal or political point of view, right is on the side of the Chungking government. If national unification is the first requisite for China, then it can justly be said that the Communist army is now a most serious obstacle to that end. On external facts, there is no refutation of Chungking's case.

"The Communists maintain their own army. Its allegiance is given nominally to Chiang Kai-shek, but actually to Mao Tse-tung, the Communist leader. In the areas they occupy, the Communists receive their instructions from Communist leaders. It is true that the principles they apply in the government are, in recent years, very diluted forms of Communism. To that extent, they made concessions to the 'United Front.' However, it can be said that wherever they go officially for the purpose of evicting the Japanese, they remain as a regime, apart from Chungking and hostile to it and enjoying recognition as a lawful government.

Cause for Conflict

"Thus, under the guise of fighting Japan, they can be in a position to control a large part of the country. Here is the germ for the start of a real struggle for mastery of the country. Worthy of attention is the fact that the Communists are not only responsive to a separate and dissident government within the country, but they are responsive to the orders and interests of something outside of China entirely.

"But this is not all. One of the anomalies in China today is that the Americans in the United States who are opposed to labor unions as being too radical are in China pro-Communists. It is well known, though not made public, that numerous letters have been sent from Chungking to America to the general effect that we are backing the wrong horse in China.

"Indeed, if a plebiscite of foreigners were taken in Chungking today, it is quite possible that the majority would vote in favor of the transference of our support from Chungking to the Communists. They are not pro-Communists, of course. They are anti-Chungking and so are an increasing number of Chinese. For one thing, they see that where the Communists are in control, there is an efficient and honest government. In fact, there is a tendency now to idealize the Chinese Communists.

"No government could really be as pure in act and purpose as the Communists have been made out to be in some recent writings by foreigners. Nevertheles, the Chinese peasants in the areas held by the Communists are better off than elsewhere in China because the Communists govern their interests.

"Whereas the Communists inspire loyalty, Chungking, on the contrary has been steadily forfeiting popular loyalty, perhaps mostly among the intellectual Chinese who supported the national revolution most ardently for independence and national rebirth. They are Communists in belief. They are not even pro-Communist. They have just lost faith in Chungking. They still respect Chiang but they distrust those by whom he is surrounded. They see inefficiency, dishonesty and indifference to the welfare of the people and reaction reminiscent of the worst days of the war and a situation approaching very close to what is called Fascist totalitarianism in Europe.

For Political Power

"They also see a growing repression of thought and speech, not for the purpose of prosecuting the war, but for the purpose of internal political power. Still disliking Communism in theory and practice, they are beginning to wonder whether there might not be some hope in Communism.

"As the situation stands today under the Chungking Kuomintang, they can see no hope at all. And the most serious thing in China today is this loss of belief, of faith, and of hope. And this is what makes it so difficult to come to a judgment as between Chungking and the Chinese Communists.

"Logically and politically, Chungking's case is impregnable. Morally, however, it is a bad case. The Chinese are torn by this division. This is what presents a danger for China after the war. For, if the present conditions are prolonged until then, there is a probability that the masses will turn to Communism, not because they believe in its doctrines, but because they will see in it a better life for themselves.

"It can be expected that the Communists will push their propaganda with vigor. However, it is not expected that the Chinese Communists will institute their propagandism on the Soviet Communist system for they have not done so where they had power in the East.

"Their program so far has been one of agrarian reform. A program of radical reform rather than one of Communism—reform with the aim of the betterment of the life of the masses at the expense of the minority if necessary.

"One needs only think of the delicate post-war balance in Europe and Asia to realize that a civil war in China—a clash between the Chungking regime and the Chinese Communists—could easily have repercussions as deadly as the events in Spain in 1936. If China is torn by civil war again there will be muddy waters for the great Powers to fish again with all the threat of conflict that is always carried on in East Asia.

"It is not a promising outlook viewed from the present. However, this situation is relieved by one factor. That is, when the pressure of war is lifted in China and the legitimate need for maintaining discipline is relaxed, there will be so much popular protest as to force an elimination of certain individuals and groups in power in the regime, the alleviation of the conditions of the people and something more nearly representing the popular voice in the Government.

"Chungking has already pledged itself to introduce a constitutional government after the war. Perhaps it will do so in spite of current indications."

NIPPON UNITS BLAST ALL INVADER MOVES IN OMIYAJIMA FIGHT

Furious Counter-Attacks Stop Enemy Advance—New Landing Attempts Fail

By a Member of the Military Press Corps

CENTRAL PACIFIC BASE, July 26.—The fighting on Omiyajima continues to rage furiously. In the face of the dauntless counter-attacks by the Japanese Forces there, the advance of the enemy units that landed at Akashi Bay, on the central-western coast of the island, and at Showa Bay, on the southwestern coast, is meeting with tremendous difficulties.

Learning a costly lesson from the terrific Japanese night and dawn attacks, the invaders, by placing several tanks at heads of their infantry columns and by franctically laying ground-mines, are trying to stand up against the nocturnal thrusts of our Forces.

On July 23, the enemy effected a landing on Hitsuji-jima, located off the coast between Akashi and Showa bays, and, on the following day, commenced landing operations at Minatomachi, a town opposite the Island, at the same time hurriedly strengthening their forces.

Meanwhile, the enemy is also exerting every effort to stem the daylight attacks of the Japanese Units by keeping a number of its planes continually flying over the battle zone.

Since July 21, our Units have repeatedly attacked the invaders at the landing points, throwing the enemy into confusion at every thrust and inflicting tremendous damage. Particularly heavy fighting was staged on July 23 when the enemy, supported by five tanks, attacked the right wing position of the Japanese in the Showa Bay area. By clever strategic ruse, the Japanese drew the enemy close to their position and, in the ensuing furious counter-attack, destroyed three of the enemy tanks and repulsed all the others.

Twice on July 24, the enemy attempted to land at Kurohama sector, at the southern coast of Omote Peninsula. The Japanese Units stationed there, by close cooperation of infantry and artillery strength, valiantly attacked the landing enemy. In the first attack, the Japanese sank one of the two landing barges as well as 11 amphibian tanks out of a total of 22.

In the second attack, the Japanese also succeeded in setting ablaze one enemy landing barge out of the two that approached the shore, thus, frustrating the enemy plans.

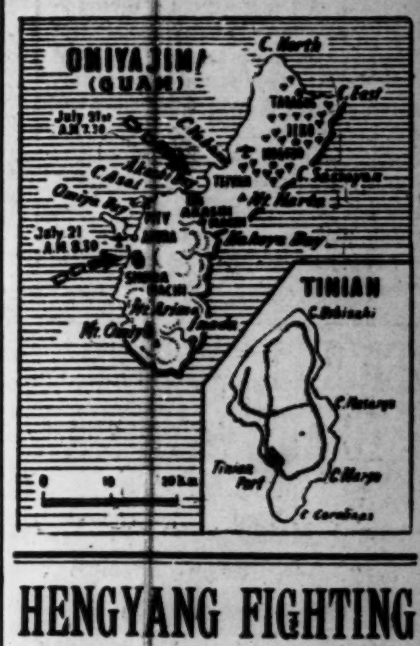
At 5:30 p.m. of the same day, detecting a 10,000-ton class enemy transport anchored in Showa Bay, the Japanese directed a furious salvo against the ship, scoring 27 direct hits. The transport immediately became enveloped in smoke and flames and developed a heavy list as it attempted to flee to safety outside of the bay.

The morale and fighting spirit of the Japanese Units on the island continue to remain high.

Steinhardt Quitting Post

Domei

LISBON, July 25.—Laurence Steinhardt, U.S. Ambassador to Turkey, according to Washington circles will not return to the United States Embassy in Ankara, due, not to foreign politics but domestic politics with which he has been engaged and will continue to do so for some time, according to a Washington dispatch. The report added that the first steps have already been taken to find his successor.



HENGYANG FIGHTING IS IN FINAL STAGE

Enemy Troops Fail to Break Through Tight Japanese Encirclement Ring

Domei

LISBON, July 25.—One month has already elapsed since the Japanese Forces commenced their operation to reduce Hengyang, the vital strategic point in Hunan Province. Regarding the war situation in that war zone, the United Press correspondent in Chungking today reported as follows:

"The Japanese are now gradually tightening their encirclement ring around Hengyang: The troops that were dispatched to rescue the Chungking garrison forces in the beleaguered walled town have failed to break through the encirclement net despite the lapse of one month. At present, fighting at Hengyang appears to have entered its final phase.

"When Hengyang falls and Japanese clear up the pill-boxes of the Chungking defenders at the south-eastern part of the walled town, they will commence a grand-scale southward advance in order to blockade the 270-kilometer-long section on the Canton-Hankow Railway which still remains in the hands of the Chungking forces.

"The isolated Chungking troops within the old city limits of Hengyang on July 25 greeted the beginning of their second month of fighting. According to a field report, the Japanese in the past one month since June 25 have been concentrating fierce bombardments and bombing attacks on Hengyang in order to annihilate the defenders encircled within the walled town.

"Meanwhile, the Japanese have penetrated the new city limits of Hengyang and, furthermore, they have succeeded twice in breaking through the old city limits.

"During the past 30 days, the Chungking defenders were able only on two days to make their way through the Japanese encirclement net at a sector in the area of the west gate of the walled town. On these occasions, the Chungking troops contacted the rescue units which had come from the west but they were short-lived connections. On July 10, the Japanese again completed the encirclement ring.

"According to a front-line report, the Chungking defenders in Hengyang have provisions enough to last them three months and they are also getting supplies of medicine, arms, and ammunition by air. The Japanese attacks on the walled town are now being continued relentlessly."

4th Army Smashed

By a Member of the Military Press Corps

HUNAN FRONT, July 25.—The Japanese Unit acting in concert with the forces which are pounding Hengyang, went into action against the enemy's fourth army encircled in the area east of Chaling and wiped it out in fierce attacks.

Among the war trophies captured by the Unit in the period from July 8 to 19 there was a preponderance of hand-grenades and land mines which reveals the nature of the fighting as far as the enemy was concerned.

The war results included: 1,410 bodies abandoned by the enemy, and the following war materials captured by the Japanese: 21 heavy and light machine-guns, 662 rifles, 91,433 hand-grenades, 6,608 land mines, and large quantities of communication material.

Japanese Blast 18 Planes

Domei

CONTINENTAL BASE, July 25.—Japanese Air Units in China late last night surprise-attacked, Lingling and set ablaze 12 small-sized enemy planes and damaged six others, in addition to blowing up the installations at seven places.

The enemy air force, which had retreated to such bases as Kweilin and Chihkiang, secretly advanced to Lingling with the aim of regaining its lost positions and also of cooperating with the Chungking army. However, the Japanese Air Units immediately attacked the enemy and dealt staggering blows to him. The enemy's A.A. gunfire was particularly severe during the attack but all the Japanese bombers returned safely to their base.

FIERY CLASH RAGING WITH ENEMY FORCES ALONG TINIAN COAST

3 Warships Sunk, Many Planes Downed at Sabang, Imperial Headquarters Also Reveals

Imperial Japanese Forces are now engaging in furious fighting with anti-Axis troops that landed on the northwestern part of Tinian Island on the afternoon of July 23, the Imperial Headquarters announced in its communique issued at 4:30 p.m. on Wednesday.

The announcement further revealed that the enemy, since the morning of July 23, had planned to land on the northwestern part of the island as well as at the port of Tinian. Counter-attacking the enemy, Japanese Forces in the area of Port Tinian repulsed the enemy that landed there and inflicted heavy damage. Against the enemy that landed at the northwestern part of the island, the Japanese twice carried out furious repelling attacks, but at about noon of the same day, the enemy finally effected a landing.

The Imperial Headquarters also announced that the Japanese Forces on Sumatra Island sank two destroyers and one submarine and damaged another destroyer in addition to shooting down the majority of the 20-odd enemy deck planes before repulsing the enemy forces consisting of cruisers, destroyers, submarines and aircraft that attempted to carry out bombardments and bombings at Sabang, Sumatra Island, on the morning of July 25.

The communique follows:

IMPERIAL HEADQUARTERS COMMUNIQUE
4:30 p.m. July 26

"1. Since the morning of July 23, the enemy had planned to attempt landings at the northwestern part of Tinian Island as well as at the port of Tinian. Japanese Forces stationed there, intercepting the enemy, repulsed the invaders that landed at the port of Tinian after inflicting tremendous losses. Against the enemy that landed in the northwestern part of the island, the Japanese Units twice repelled the enemy but at about noon of the same day, the enemy finally effected a landing. The enemy is since continuously being reinforced and our Units, with all their power, are now engaged in severe battle with the foe.

"2. On the morning of July 25, an aggregate total of 20-odd enemy deck planes came attacking Sabang on Sumatra Island. Simultaneously, enemy cruisers, destroyers and submarines approached outside of the port there and carried out bombardments. In the intercepting attack, our Units on the spot repulsed the enemy after sinking two enemy destroyers, one submarine and damaging another destroyer as well as shooting down the major strength of the enemy aircraft. The damage on our side was extremely slight."

Task Force Appears

Domei

CENTRAL PACIFIC BASE, July 26.—An enemy task force built around a few aircraft-carriers appeared on Tuesday afternoon in waters near the Palau Islands and more than 30 planes raided Palau. Japanese ground units immediately fought back and shot down two of the planes. During daylight the same day several enemy planes also raided Yap.

U.S. Losses at Saipan Bared

Domei

LISBON, July 25.—James Forrestal, U.S. Secretary of the Navy, announced today that the total of American losses in Saipan was 16,463, according to a Washington dispatch reaching here. The details of American casualties are killed in action, 3,049; wounded, 13,049; and missing, 365.

POLES IN MOSCOW LEGALIZE REGIME

Soviets Renounce Territorial Claims on Poland in Official Statement

Special to the Nippon Times

LISBON, July 26.—The newly-formed Polish Committee of National Liberation referred to by Foreign Commissar Vyacheslav Molotov has issued a manifesto declaring itself to be the only legal Polish regime under the 1921 Polish Constitution according to reports reaching here.

The establishment of a Polish-Soviet frontier must be by mutual agreement so that Poland's eastern border will mark the line of good neighborliness, not a barrier between Poland and her neighbors.

Soviets Renounce Claims

Domei

MOSCOW, July 25.—Soviet renunciation to any claims on Polish territory was made clear on the night of July 25 when the Soviet Foreign Commissariat issued the following statement:

"The Soviet Government regards Soviet army moves in Polish territory as operations in the territory of an allied and friendly sovereign nation. There is no intention of establishing Soviet administrative organs in Poland as the Soviet Union thinks that administration in Polish territory is a matter to be handled by the Poles. Under these circumstances, the Soviet Government has decided to conclude an agreement with the Polish Committee for National Liberation on the relations between the Soviet army headquarters and the Polish administrative office.

"The Soviet Government hereby declares that the Soviet Union will neither claim a part of Polish territory nor alter the social order in Poland. The Soviet army's military action in Polish territory has been chiefly necessitated by military reasons. Since the Soviet forces have reached the Soviet-Polish border, after crossing the Bug River, we hereby issued this statement."

Polish Leaders See Eden

Domei

AMSTERDAM, July 25.—The Polish "Premier" and "Foreign Minister" paid a visit to Foreign Secretary Eden, according to Reuters, in order to discuss the latest development in Poland. The establishment of the "Polish Committee of National Liberation," as disclosed by a Moscow broadcast, was also under discussion. The same problems were dealt with by the Polish Emigre Committee in London during its session on Tuesday morning.

Reich Press Comments

Domei

BERLIN, July 25.—The establishment of a Polish Committee in Moscow is regarded by the German press as the expected preliminary conclusion of a long development.

The Berliner Boersenzeitung stresses the fact that there now exist two Polish representations—one in Moscow and one in London. The Polish Committee in London, the paper pointed out, is vainly pointing to the Atlantic Charter and making pilgrimages to Washington. The Anglo-American trustees, however have made it very clear that they are fed up with the committee's eternal demands for protection against Moscow's aggression and that they are afraid lest the committee might disturb the good relations, existing between the Anglo-Americans and the Soviets. Now that the Polish government had been formed by Moscow without America or Britain offering the least opposition the situation is bound to have become clear to all Europeans, even to the most stubborn. The paper underlines the fact that the manifesto, issued by the Polish Committee in Moscow, calls for a reinstatement of the Jews.

Vinogradov Sees Saracoglu

Domei

ZURICH, July 25.—Sergei Vinogradov, Soviest Ambasador at Ankara, recently met Turkish Primier Sukru Saracoglu and submitted to the latter the Soviet demands on the Straits of Dardanelles and the Mediterranean Sea, reports the Swiss Telegraphic Agency. According to the same agency, A. J. Vishinsky, Soviet Foreign Vice-Commissar, is also expected to visit Ankara shortly and an influential view now prevails that various pending issues between the Soviet Union and Turkey would be solved eventually.

Czech-Chungking Ties

Domei

LISBON, July 25.—In order to strengthen diplomatic relations between the Chungking regime and the exile government of Czechoslovakia, both governments have decided to raise their diplomatic representatives to the rank of ambassador, according to a London dispatch.

41 U.S. Air Attackers Downed Over Danube, Northeastern Alps

Domei

BERLIN, July 25.—Forty-one American planes including 30 four-engined bombers were shot down this morning over the Danube area and northeastern forefields of the Alps by German fighters and destroyers which intercepted an escorted American bomber formation entering the Reich territory from the south. Enemy attacks which were typical terror raids were directed chiefly on the residential quarters of the towns in the northeastern forefield of the Alps. The total figure is expected to increase as complete reports are received.

REICH PLANS STEPS TO ACTIVATE WAR

Internal Mobilization for Victory Set, Says Foreign Office Spokesman

Domei

BERLIN, July 25.—What internal measures the Reich Government will take for the announced acceleration of the conduct of war, is a question now being much discussed in Berlin. Newspaper comments indicate that strong military reserves will probably be formed. Repercussions on the economic as well as everyday life will, no doubt, be caused as a result of this. Though it has not yet been revealed what these measures will be competent quarters feel that these measures will, without question, be far-reaching. It appears a foregone conclusion that these measures will bring about a further simplification of organizational forms and possibly of cultural life. Official information is expected within the next few days.

The spokesman of the Foreign Office today mentioned "new strict measures and the internal mobilization of the German people for victory." When asked whether the German foreign policy was to be accelerated on account of recent events, the spokesman declared that the German foreign policy had always been active. Relations with Germany's allies in southeastern Europe have been marked by particularly strong coordination and lively exchange of opinions. It was pointed out that the German foreign policy was based on the conviction that the war must and can be won militarily.

Furthermore, the spokesman flatly declared it was erroneous to think that, because the military situation at present is not favorable, the politicians are finding it necessary to come to the fore, or, in other words, that military force had to be replaced by other means.

When the foreign correspondents questioned the spokesman further as to whether Germany's allies, too, would take additional measures, the spokesman pointed out that hitherto Germany, in the conduct of the war, had always set an example to her allies. The success of the new German measures which will soon be confirmed by facts, will probably act as a stimulant to Germany's allies to follow suit, the spokesman added. Her allies fighting at the fronts are already exerting their most strenuous efforts, he further pointed out.

When asked, in conclusion, about the development of relations between Germany and Turkey, the spokesman said that no measures likely to throw any fresh light on the Turco-German relations, has yet been taken.

Fuehrer's Headquarters

July 25

The heavy retaliation fire on London is still continuing.

In the Normandy area, the Americans yesterday launched an attack with strong forces northwest of St. Lo and southwest of Carentan after violent artillery preparation and strong air attacks. In the course of the embittered fighting, the enemy was repelled with severe losses inflicted upon him. Early this morning, British divisions opened the expected attack in the Caen area after strong artillery and air preparation and heavy fighting developed there which is being continued in intensity.

During the night, our heavy bombers attacked localities in the landing head as well as enemy troop deployments and supplies with telling effect. An enemy destroyer in the waters west of Brest was damaged. The enemy lost 21 machines over the landing head and the occupied western districts.

During mopping-up operations in the French area, 75 terrorists were wiped out in fighting.

In Italy, the enemy yesterday made numerous local attacks at Pisa, east of Pontecerra, east and north of Poggibonsi as well as north of Citta di Castello and was repulsed everywhere with heavy losses suffered by him. North of Citta di Castello, enemy formations which had broken into our positions were thrown back in counter-attacks.

Our motor torpedo-boats heavily damaged an enemy motor-boat off the Dalmatian coast.

On the Eastern Front, the great defense battle between the upper Dniester and the Gulf of Finland is going on with intensity. In Galicia, numerous Soviet attacks supported by tanks and battleplanes were frustrated by the stiff resistance of our grenadiers. In the course of the mobile fighting, our panzer formations threw back the enemy assault groups at several places and destroyed numerous tanks.

In the city district of Lemberg, bitter fighting rages. Between the Bug and the Vistula, strong enemy pressure continues, while the garrison of Lublin offered stubborn resistance to the enemy who is attacking with superior forces from all directions.

Northwest of Brest-Litovsk, several Soviet bridgeheads on the western bank of the Bug were eliminated in counter-attacks. Between Bialystok and Grodno as well as northeast of Kovno, all Soviet break-through attempts were foiled in bitter fighting. On the front between Dvinsk and the Gulf of Finland, numerous enemy attacks supported by tanks and planes collapsed with heavy losses to the Soviets. Here 56 enemy tanks were destroyed and at some dents fighting is still going on.

The Luftwaffe yesterday carried out numerous low-level attacks to support the ground operations and destroyed 59 Soviet tanks. The enemy lost 54 planes in aerial combats and by flak-artillery. During the night enemy troop concentrations and deployments in the Lublin area were the targets of attacks by heavy bombers.

At daylight yesterday, enemy fighters made thrusts against the southwestern German area. British bombers during the night made a terror attack on Stuttgart. Several enemy planes dropped bombs on Berlin and places in eastern Prussia and some 15 enemy planes were shot down.

HITLER ASKS NATION TO SMASH TRAITORS

Plot to Assassinate Him Completely Crushed, Fuehrer Announces in Broadcast

Domei

BERLIN, July 24.—In a radio broadcast made at 1 a.m. Friday Reichsfuehrer Adolf Hitler made it irrefutably clear that the assassination plot against him had ended in failure. Addressing the people of Germany, the Reichsfuehrer asked the people to aid in smashing the plot of the traitors and also predicted that the plotters would be disposed by the National Socialist Party in a manner befitting the party. The Reichsfuehrer stressed that his life was dedicated to the service of the German people and for this reason offered his thanks to God that his life had been saved from the traitors. The Reichsfuehrer's broadcast follows:

"My life, day and night, is dedicated to serving with all my power the German people. At this time when the German forces are taking part in the most difficult fighting, it has been revealed that in Germany too, as in Italy, there exists an extremely small group which believes that it can lead the German people to the crime of traitorousness. But the plotting of the faction was a grave mistake. The declaration by these traitors that I no longer exist has been completely denied by this broadcast.

"Those represented by the traitors are extremely few. They have no connection with the armed forces, nor with the Army and will soon be suppressed mercilessly. I thus require of all the people that they do not listen to any orders from these traitors, nor allow any armed department, any leader of a group or a single soldier to be deceived by their orders. I hereby proclaim that it is the duty of all the people to arrest those who carry the orders of the traitors and if necessary to obliterate them.

Announces Change

"I also have appointed Home Minister Heinrich Himmler, Commander of the Forces in the Reich and taken Colonel-General Heinz Guderian into the Fuehrer's Headquarters to succeed General Kurt Zeitzler who is ill. I have also called a noted Army leader from the Eastern front to aid Colonel-General Guderian. These are the changes that I am able to announce. Through the elimination of this small organization the kind of atmosphere desired by the people has finally been born. Such things as the plot of a small number of traitorous elements was completely impossible in National Soc. Germany.

"This plot and this action for obstruction was attempted at a time when thousands of courageous officers and men are at the front and giving their lives for the Fatherland. The National Socialist party will dispose with these plotters in a manner befitting the National Socialist party. All the officers of the German forces in their right mind and all the courageous soldiers will fully understand what fate would have been in store for Germany had this assassination plot against me been successful. Thus I thank God and the Creator that this assassination plot failed, not because my life was saved but because of this reason. My life is dedicated to the German people. Thus I thank God that He has made it possible for me to continue to be active for the German people."

Kluge Affirms Loyalty

Domei

BERLIN, July 25.—Marshal Guenther von Kluge, Commander of the German Forces in Western Europe, declared in his proclamation issued to the men under his command on July 23 that the men of the German Forces, adhering to the one slogan of "unwavering determination and unconditional loyalty to the Fuehrer" would devote themselves toward directing the war to a brilliant conclusion, according to dispatches from Paris. The gist of Marshal von Kluge's proclamation is as follows:

"A small group of retired officers attempted a cowardly attempt on the Fuehrer's life. The plot leaders have already been subdued and order and quiet prevails in Germany. The war efforts on the home front and the fighting on the battle fronts continue unbroken as heretofore. It was with feelings of great indignation that we heard of the assassination plot. To us, men and officers, stationed in western Europe we have but to devote ourselves toward directing the war to a brilliant conclusion under the one slogan of unwavering determination and unconditional loyalty to the Fuehrer."

Official Handbook Instructs British Troops To Employ Gangster Methods of Warfare

Domei

BERLIN, July 25.—"Every soldier must use gangster methods whenever necessary"—is but one of the many revealing statements found in the "Secret Document" belonging to a British liaison officer who fled, dropping his papers which fell into the hands of German soldiers.

This "Secret Document" the contents of which are being published by the German Foreign Office, is an official document which must be kept under lock and key, and which, above all, must not fall into enemy hands. Bearing the red seal of the British Military Engineers' School, it is an official instruction book entitled "The Handbook of Modern Irregular Warfare." Only those in an "official position in His Majesty's Service" are permitted to see the contents.

Among the many revealing instructions to be found in this book are the following:

"The days when we were able to observe the fair rules of sport are now over. Every soldier must conduct himself like a gangster and must apply gangster methods wherever necessary. Kick the enemy between the legs as hard as possible. While he is writhing in pain, floor him and kick his head in."

Pge 51 of the "Secret Document" gives further instructions as follows:

"To put an end to your opponent, use him like a weapon! Knock his head against a curbstone or any other stone. Remember that a heavy boot can kill the opponent just as well and as quickly as a rifle butt."

This special kind of warfare, says the preface, is to be applied in the enemy country, occupied territories, and, under certain circumstances, in any neutral country which supplies the enemy with war materials.

U.S. TRADE COUNCIL HITS BRITISH PLANS

Wide Gulf Between Business Interests of Two Countries Revealed in Letter to Nelson

Special to the Nippon Times

LISBON, July 25.—Trenchant criticism of Britain's post-war trade plans has been made by the American National Foreign Trade Council in a letter to Sir George Nelson, President of the Federation of British Industries, according to a report of the New York correspondent of the Daily Sketch received here.

The council released a text of the letter indicating that there is a wide and growing gulf between British and American business interests, which is causing concern in official circles. The letter takes issue with the Federation of British Industries on its report on international trade policies declaring that Britain is tending "toward a nationalistic trade policy of the type she pursued before the war."

"It is generally agreed here," says the letter, "that the gap between British and American business thought is accentuated by this report. Minimum requirements of the Federation of British Industries' report are planned economy for the control of prices, and imports and exports within the quota system, which rejects the idea of the United States for reciprocal trade agreements. In short, the Federation of British Industries' report is considered a highly nationalistic document—a careful argument for making it possible for Britain to have her normal amount of business even without a financial background to handle it as she had in the past. The report's basic conception is that the British should have an increase of 50 per cent in exports and suggests that she could reduce her imports."

The National Foreign Trade Council advocates as a counter proposal the resumption of world trade on the basis of free enterprise and free and unfettered exchange of goods between nations without government interference. Referring to the proposal to establish sterling areas the council in the letter declares, "This is opposed to the Atlantic Charter and to the basis of the Lease-Lend agreements, and is in harmony with the theory of cartels and monopolies, which it had been designed to exclude in the United States."

Turkey Suspending Air Line

Domei

LISBON, July 25.—Commercial aviation in Turkey is to be discontinued shortly, competent quarters announced today without revealing the reasons for this measure, according to an Ankara dispatch.

BRITISH ARE VEXED OVER INVASION LAG

Slow Advance in Normandy Creates Misgivings—Fear Forces in German Trap

Domei

LISBON, July 24.—The British people, deeply disappointed by the fact that the anti-Axis forces are still compressed in a narrow area despite the passing of nine weeks since the first invasion landing, are evincing grave misgivings as to the future of the Normandy operations. The disappointment has been caused by the comparison of the failure of the anti-Axis forces to break through the German defense lines with the rapid advance of the Red Army on the Eastern front and the misgivings have been aggravated by the confusion resulting from the devastating attacks of the German V-1's.

Even among military experts there is a growing demand that the invasion operations be restudied. As a matter of fact, compared to the average advance of 20 miles a day of the Soviet forces, the Anglo-Americans in Normandy have only advanced to the forefront of Caen and are compressed in the narrow area behind that point. Before them lies difficult terrain, with marshes, hills, rivers and forests and they are unable to effect mobile operations. The military commentator of the Observer has admitted that the operational front is only 60 miles wide and the bridgehead is shallower than that. He said that large forces could not be moved in such an area and that as long as the bridgehead remained as small as it is today it would be difficult and require much time to break through the German front.

Meanwhile, Captain Lidell Hart in the Daily Mail, on July 17, said that it was doubtful whether the anti-Axis forces could break through the stubborn German defense line by repeatedly charging into it. Hart pointed out that the anti-Axis losses were several times greater than those of the defenders and bemoaned the fact that the anti-Axis forces were losing their mobility. Reports from war correspondents have also lost their optimism-creating tone; they now deal with the difficulties of fighting and the skilful operations of the German forces. The misgiving is thus growing that, with more than half of the five most favorable months for fighting in the year already gone, it may be that the anti-Axis forces have been trapped by German strategy.

The opinion, in the meantime has been growing strong, that the operations must be studied from a new angle, in order to avoid a repetition of the failures of the Italian campaign. Another notable aspect in recent days is the attention that is being given the guerillas in France by the British Government. The government apparently is trying to counteract the ineffectiveness of the invasion operations by the activity of the guerillas who are estimated to number about 250,000 and are composed mostly of rascals, ruffians and slackers who have fled from the labor draft. They have no effective equipment and are separated geographically from the Normandy theater of fighting. Politically, too, they include Communist elements which are opposed to both the Vichy Government and the Algiers committee of General Charles de Gaulle and are advocates of violence. The political clash inside the guerilla ranks is also one of the factors which makes their existence of not too great importance. There is also the deep-rooted fear possessed by the Anglo-Americans of Communization of France, and they are said to be reluctant to send active aid to the guerillas.

GERMANS DESTROY 59 RUSSIAN TANKS

Over 100 Vehicles Smashed In Lemberg, Lublin, Kovno; Kovel Depot Bombed

Domei

BERLIN, July 25.—German battleplane squadrons and tank-busting formations yesterday incessantly attacked Soviet tank spearheads and vehicle columns particularly in the Lemberg, Lublin and Kovno sectors and knocked out altogether 59 Soviet tanks and more than 100 vehicles, according to frontline dispatches reporting the activity of the Luftwaffe over the Eastern Front.

German battleplanes also destroyed four important bridges during their bombardment of Soviet rear communications east of Kovno and Soviet mechanized artillery east of Dvinsk was also bombed. At least 12 guns were destroyed and other batteries silenced.

German fighters escorting the bomber formations also accounted for 26 Soviet machines shot down during repeated aerial combats.

Other German bomber squadrons carried out a nocturnal raid against Soviet deployments in the Lukov area causing conflagrations and explosions at numerous places. The railway station of Kovel was likewise attacked by German bombers with explosive and incendiary bombs.

Hungarians Check Soviets

Fighting on the southern wing of the Eastern Front yesterday further spread to sectors of the Carpathian forefield where Hungarian troops repulsed or checked strong Soviet attacks in the Stanislav area, according to frontline dispatches.

In the Lemberg area, the German garrison there is offering heroic resistance against the Soviet onslaughts to storm the center of the city with the support of tanks and heavy weapons. The German defenders held their lines everywhere and Soviet dents were ironed out. During this fighting 19 Soviet tanks were destroyed. Southeast and east of Lemberg, German panzer formations and motorized corps closed various gaps in the frontline.

Soviet pressure in the Jaroslav area and to the north on San River was intensified and late last evening they succeeded in establishing a few small bridgeheads across the river after bitter fighting.

Give Up Resistance

The German garrison at Lublin, meanwhile, which had been encircled and pounded by the Soviet tanks for days finally gave up resistance after defending themselves to the last bullet.

In the central sector, German offensive operations northwest of Brest-Litovsk which were started two days ago were continued also yesterday with great success. German mechanized forces and one armored fighting group striking against the Bug area mopped up several bridgeheads and took more than 3,000 prisoners and a huge booty in heavy weapons. During the fighting 23 Soviet tanks were destroyed.

Particularly grim fighting took place yesterday in the sector northeast of Kovno where the town of Vilkomir was abandoned after a fierce fluctuating battle, but repeated Soviet attempts to pierce the German lines were foiled and particularly heavy losses inflicted upon the attackers.

On the northern wing of the Eastern Front, fighting also developed at Narva where strong Red Army attacks were smashed in the German forefield by German automatic weapons which claimed a heavy toll.

On the front between Dvinsk and Lake Peipus, numerous massed infantry and tank attacks were likewise smashed by the German forces which were strongly supported by Luftwaffe activity.

FRENCH REGIME'S PACT WITH ANTI-AXIS PLANNED

Special to the Nippon Times

LISBON, July 25.—A practical agreement will be concluded soon by the French Committee of National Liberation with Britain and the United States for the cooperation of the French administration and the anti-Axis authorities in liberated France, declared General Charles de Gaulle, chairman of the French Committee, before the assembly in Algiers today in discussing his recent visit to London and Washington, according to a report received here.

De Gaulle stated that his regime will be recognized and that it will give all help to British and American armies. Furthermore, he added that he had frank and very comprehensive talks with Prime Minister Winston Churchill and President Franklin Roosevelt.

The rebel French leader also spoke of his hopes for a chance to be able to arrange for guarantees of security in the Europe of tomorrow.

Grim Battles Raging

Lively fighting in the Lemberg, Lublin and Kovno sectors, seen in the above map, is reported from the Eastern Front.

CAEN-FALAISE ROAD SCENE OF BIG FIGHT

German Guns Pound Advancing British Forces That Launched Offensive

Domei

BERLIN, July 25.—With the clearing up of the weather, General Montgomery's forces, this morning, launched their expected large-scale offensive south of Caen in the general direction of Falaise with greatly reinforced forces that had been held in reserve south and east of Caen.

The new offensive which was preceded by the heaviest air attacks and artillery drumfire is driving southward along the Caen-Falaise road where particularly fierce fighting is in progress, especially north of St. Martin.

The advancing British forces are constantly being met by artillery fire from German guns, which, despite the greatest aerial bombardment and intensive artillery fire, have not been silenced. Numerous well-echeloned German anti-tank guns are raking the British tank spearheads and a multitude of them have been knocked out already, especially since the offensive strip is thus far but six to eight kilometers wide.

With the employment of unparalleled masses of offensive weapons the British managed to achieve a dent at Tilly La Campagne east of St. Martin, but this was ironed out by a fierce German counter-thrust.

Main enemy thrusts were made on both sides along the Caen-Falaise road and on the heights flanking the Orne on the east.

Meanwhile, American forces in the western sector of the invasion front also started a new attack with strong forces against the area just west of the Vire where the offensive sector is, for the time being, only four to five kilometers wide.

Their attacks were likewise preceded by violent drumfire and continuous air attacks and although employing strong tank formations, they are still unable to cross the St. Lo-Le Mesnil-Vigot road in the area southeast of Carentan.

The German lines withstood all attacks and repulsed the enemy forces with heavy losses. Only one small dent was achieved for which fighting is now going on.

In connection with the fighting in Normandy, the German military spokesman today stressed that despite the employment of tremendous amount of men and material and despite extensive preparation by artillery and carpet bombings, the new American attack at breaking beyond Cotentin Peninsula, thus far, has made no progress whatsoever.

He declared that the front line at present is running along De Bavent, east of Troarn, north of St. Martin, north of St. Andre, Maltot, Bougie, Noyers, St. Vaast, St. German, south of Caumont, Vidouvill, St. Lo, Ramilly, Auxais and Lessay.

Reich Planes Keep Active

Domei

BERLIN, July 25.—Concentrating on enemy deployments and occupied towns in the invasion area, German bomber squadrons continued their systematic nightly attacks last night and blew up several ammunition and petrol depots in the immediate front vicinity while German night fighters intercepted enemy bomber formations and shot down 11 four-engined bombers over French territory.

Other German bombers operating against enemy shipping in Seine Bay seriously damaged a big enemy 9,000-ton transport near the Orne mouth and others were set ablaze.

In the waters west of Brest, German bombers attacking a small group of enemy men-of-war seriously damaged a destroyer with a heavy-caliber bomb.

Meanwhile, latest reports disclosed 28 enemy aircraft including 26 four-engined bombers destroyed over Germany and occupied western Europe.

ANTI-AXIS SUFFERS BIG LOSSES IN ARNO

British Forces Repulsed Near Montevarchi by Germans After Fierce Fighting

Domei

BERLIN, July 25.—Fighting yesterday on the Italian front was again restricted to mutual scouting thrusts and minor Anglo-American attacks while the western wing of the German forces in the area south of Arno withdrew to the northern bank of the river.

Minor actions in the Arno district resulted in comparatively heavy enemy losses and they did not succeed in disturbing the German movements.

In the Florence area where major fighting developed this morning, the British are continuing to concentrate greater forces but no details are yet available.

Yesterday, the British forces probed the German lines along the road leading to the northwest from Montevarchi, but were beaten back by the German rearguards after fierce fighting.

On the eastern bank of the Tiber, a powerful German counter-attack sealed off a dent and the German line was again fully restored. Fighting in the Adriatic coastal sector was also considerably slow and no major fighting developed.

Meanwhile, the gradual shifting of the focal center of the anti-Axis offensive from the center to the western wing is becoming apparent with the arrival of New Zealand and Indian troops belonging to the British 8th Army in the region north of Poggibonsi to relieve the American 5th Army which hitherto bore the brunt of the fighting.

Grim fighting is expected in this sector as the anti-Axis appears intent upon breaking loose from their forced stalemate and are apparently planning a mass onslaught on the Arno line while the Germans, continuing their successful delaying actions, are stubbornly resisting all attacks.

Air Raid Drill Planned

Domei

LISBON, July 25.—In connection with the withdrawal of Turkish merchant ships from the Black Sea, it has been learned that an extensive anti-air raid drill is contemplated in the Sea of Marmora in which the Turkish navy as well as the merchant fleet is to participate, according to an Ankara dispatch.

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Canton, Chefoo, Hankow, [illegible], chow, Hoihow, Hongkong, Kowloon, Kinhwa, Macao, [illegible], Ningpo, Peking (Tojyo & [illegible]), Pengpu, Shanghai, [illegible], si, Shihhweiyao, Tientsin (Asahi-Gai & 3rd St. & Mijayima), [illegible] nan, Tsingtao.

French Indo-China
Haiphong, Hanoi, Saigon.

Thailand
Alor-Star, Bangkok, [illegible], Kuala-Trengganu.

Burma
Bassein, Lashio, Mandalay, [illegible] myo, Mergui, Moulmein, Myingyan, Prome, Rangoon, [illegible], Taunggyi, Tavoy.

Malai
Ipoh, Johore-Bharu, Kuala-Kangsar, Kuala-Lipis, Kuala-Lumpur, Kuantan, Malacca, Penang, [illegible] ban, Shonan, Tandjong-Pinang (Shonan), Taiping.

Sumatra
Bencoolen, Bukit-Tinggi, [illegible], Kota-Raja, Lho-Seumawe, Medan, Padang, Pakanbaroe, Palembang, Pangkal-Pinang, Pematang-Siantar, Siboiga, Telok-Betong.

Djawa
Bandoeng, Bodjonegoro, [illegible], Djakarta, (Stationsplein & Noordwijk) Djember, Jogjakarta, [illegible] diri, Madioen, Magelang, [illegible], Pamekasan, Pekalongan, [illegible] Kerto, Semarang, Serang, [illegible] karta, Sourabaya, Tjirebon.

Borneo
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CABINET APPROVES BUDGETARY POLICY

Complete Reorganization in Line With War Situation, Announced as Main Aim

The principle object in planning the 1945 budget will be to reorganize it so that it will be fully able to keep in line with the war situation, it was disclosed in an announcement concerning the policy for drawing up the new budget, issued on Tuesday. The policy to be followed had been under discussion for some time and with a decision being reached it was presented at the Cabinet meeting on Tuesday, where, after it was explained by Finance Minister Sotaro Ishiwata, it was passed.

The announcement of the Board of Information follows:

"Concerning the drawing up of the 1945 budget:

"It is an urgent necessity for the nation, at this serious time, to swiftly complete the concentration of the total power of the nation in the fighting line, to strengthen the structure of invincibility and absolute victory by the manifestation of all abilities and by bearing all hardships and by carrying out measures suited to the occasion to break through the tense situation. The goal of the Government's measures have been concentrated on this one point. Thus, in the drawing up of the 1945 budget all the ministries took this into consideration and, without thinking solely of their own particular interests, have decided on the following points:

"1.—To hold as the principal object, when drawing up and carrying out the budget, a reorganization of the budget in keeping with the present war situation with the preceding year's budget as the standard in order to contribute to the maintenance of the budget's mobility.

"2.—To bring about the manifestation of the highest degree of efficiency in funds, materials and labor and at the same time to avoid the budgetizing of facilities whose use of funds, materials and labor is great, in view of the condition facing this mobilization plan.

"3.—To carry out the 'war structurization' of the conduct of administration and the placing of the present personnel in posts of priority importance and not to carry out any increase in official and Government employees.

"4.—To keep reserve funds at a high level in order to enable completely the effecting of urgent measures whenever necessary.

"5.—All the ministries to draw up rough estimates of the funds and materials needed and to observe strictly the time limit placed on their being handed in to the Finance Ministry.

"Standard estimates: Time limit for General Accounts....August 20
Time limit for Special Accounts ..... September 30

"Estimates for materials needed to accompany above:
Time limit for General Accounts ....August 31
Time limit for Special Accounts ....October 15

"Supplementary estimates:
Time limit for Special Accounts ..... September 30
Time limit fir Special Accounts ....October 31

"Estimates for materials needed to accompany above:
Time limit for General Accounts ....October 15
Time limit for Special Accounts ....November 15

"The time limit for special accounts other than those of the Government-General of Chosen, Government-General of Taiwan, Karafuto Government Schools, Kwantung Bureau, Imperial Railways and communication enterprises will coincide with the time limit for the supplementary estimates."

Concordia Society Anniversary

Domei

HSINKING, July 25.—A ceremony for commemorating the 12th anniversary of the founding of the Manchoukuo Concordia Association was held at its headquarters today, attended by Lieutenant-General Mitsuji Miyake, Director-General of the Association, Rokuzo Takebe, Director-General of the General Affairs Board of the Manchoukuo State Council, and other Manchoukuo officials as well as doplomatic representatives of various countries stationed in Manchoukuo.

Yamada Calls on Chang

Domei

HSINKING, July 25.—General Otozo Yamada, new Commander of the Kwantung Army, accompanied by members of his staff, this morning called on Premier General Chang Ching-hui of Manchoukuo at the Manchoukuo Government Office. Following the interview with the Premier, General Yamada addressed a gathering of high Manchoukuo officials.

Nippon Cabinet Change Reflects Resolve To Fight to Victory, Says Shonan Jih Pao

Domei

SHONAN, July 26.—Characterizing the new Japanese Cabinet under the Premiership of General Kuniaki Koiso as denoting the new decisive stage in the present struggle against the Anglo-American enemies, the Shonan Jih Pao, influential local Chinese daily, in its editorial declared, "If change in Japanese Cabinet could mean anything at all, it means the entire Japanese nation has sounded once again the strong determination to prosecute this sacred war of liberating Asia for the Asiatics to its successful conclusion, thereby contributing to the establishment of a new world order."

Referring to the reported statement by Joseph Grew, former United States Ambassador to Japan, that the resignation of the Tojo Cabinet will involve no fundamental change in Japan's conduct of the war and do or die spirit ingrained in the Japanese people, the journal said, "Even the enemies are apparently aware that the change in the Japanese Cabinet foreshadows further strengthening of the economic and political war structure of the Japanese nation to ensure final victory."

Pointing out the speed and calmness with which the new Cabinet was organized, the paper asserted, "The Japanese nation encountered with whatever situation, invariably knows precisely what, when and how to do the right thing and in this instance has done it with precision typical of the nation."

Expressing full confidence that General Koiso will lead the nation to final victory, the journal added, "Complete liberation of Asiatics from Anglo-American aggression and true happiness within Greater East Asia is impossible without Japan winning final victory. Henceforth, peoples of the entire Southern Region should put forth efforts greater than ever before in collaboration with Japan to attain final victory."

ANNIVERSARY IS MARKED OF HOTO NAVAL BATTLE

Many Attend Rites at Togo Shrine—Chinese Fleet Defeated 50 Years Ago

The 50th Anniversary of the Naval Battle of Hoto falling on July 25, in which the Japanese Navy defeated the Chinese Navy in the Sino-Japanese War was observed at the Togo Shrine at 10 a.m. Tuesday. The anniversary rites were attended by a large number of members of the Togo Society and the Mikasa Zanka Society, including Admirals Keisuke Okada and Isamu Takeshita, both of whom had participated in the naval battle. Prayers were also offered for the victorious prosecution of the current war.

The Naval Battle of Hoto, also sometimes known as the Naval Battle off Jinsen, took place on July 25, 1894 off Jinsen Bay on the western coast of Chosen. The Japanese warships Yoshino, Akitsushima and Naniwa encountered the two Chinese warships Chinyuan and Kwangi. Fired upon by the Chinese warships, the Japanese fleet gave battle. The Chinyuan immediately took flight and the Kwangi was damaged. Then coming across the Chinese warship Tsaokung convoying a chartered British steamer, Kaosheng, carrying to capacity Chinese land troops, the Japanese warships opened fire. The Tsaokung was captured and the steamer, Kaosheng, sunk.

MANCHOUKUO-CHOSEN TIES EXPECTED TO BE TIGHTENED

Appointment of Abe to Post Of Governor-General Hailed in Hsinking

Domei

HSINKING, July 24.—Relations between Manchoukuo and Chosen which became progressively more intimate each year during the governor-generalship of General Jiro Minami and General Kuniaki Koiso are expected to become closer than ever before with the assumption of this office by General Nobuyuki Abe, the successor to General Koiso who has become Japan's Prime Minister, well-informed circles here declared today.

The marked frequency of liaison conferences held between Manchoukuo and Chosen have paved the way for the execution of concrete and positive measures for the prosecution of the missions of the two countries on a united basis, these observers pointed out.

General Abe is well known for his keen insight in administrative as well as political affairs. Ryusaku Endo, newly-appointed Vice-Governor-General of Chosen, is a capable man for this post as he served as Director of the General Affairs Board of Manchoukuo between July 1933 and May 1935. It is, therefore, highly reasonable to place high hopes in the future of Manchoukuo-Chosen relations, the same observers added.

Endo Succeeds Nakano

Tsunehisa Endo, head of the Thought Control Department of the Supreme Court, Wednesday was appointed Chief Procurator of the Osaka Appellate Courts succeeding Namisuke Nakano, who has been appointed Procurator-General of the Supreme Court. Mr. Endo's appointment was made after careful consideration by Hiromasa Matsuzaka, new Justice Minister.

Rites for Jiro Fujie

Funeral services for the late Sublieutenant Jiro Fujie who died in action on the southern front, is scheduled to be held at his residence at Maruyama-cho, Shibuya, Tokyo, at 2 p.m. today. The late Sublieutenant Fujie is the second son of General Keisuke Fujie, Commander of the Eastern Army.

MEETING PLANNED TO VOW REVENGE FOR SAIPAN LOSS

Various Bodies Will Meet at Hibiya Hall Today Under Auspices of Junnan Domei

A grand meeting for the vowing of revenge on the loss of Saipan will be held from 1 p.m. today at Hibiya Public Hall under the auspices of Junnan Domei or the Martyrs' Federation, which is comprised of 48 organizations, and representatives of member organizations as well as 200 individuals from various parts of Japan who will participate in the meeting.

The opening ceremonies will be preceded by prayers offered for the spirits of the Japanese Forces and the Japanese nationals who died on the island. The resolution and discussion on other concrete matters will then be taken up.

Speeches will be delivered by Yoshimori Akagami and Dr. Sakuro Nagao, professors of Meiji University, and student representatives will take up the grand cry that "the time has now arrived for the Japanese nationals to rouse themselves." Thus, pledging vengeance anew on the enemy, various movements will be launched for the crushing of America and Britain.

WAR POLICY UNAFFECTED BY CHANGE IN CABINET

Chungking Press and Leaders See Nippon Will Bolster Continental Operations

Domei

CANTON, July 24.—Chungking is greatly concerned over the new Koiso-Yonai Cabinet, and various Chungking news organs such as the Chung Ying Agency and the Ta Kung Pao, commenting on the Japanese Cabinet change, are making various suppositions on the future movement of the new Cabinet.

According to a Chungking broadcast intercepted here yesterday, General Ho Ying-chin, War Minister of the Chungking regime, issued a statement, saying: "The change of the Cabinet will not affect Japan's policy. We must never entertain such an absurd idea as Japan would soon surrender unconditionally because of the Cabinet change."

The same broadcast further revealed that Chang Kung-chuan, spokesman of the Chungking regime, in a press interview, stated as follows: "In view of the fact that General Kuniaki Koiso became Prime Minister of the new Cabinet, Japan would most probably place foremost importance on the continental operations in the future. Foreign Minister Mamoru Shigemitsu's remaining in office clearly indicates that Japan's foreign policy will remain intact. Japan is apparently determined to fight to the last; consequently, the present Japanese continental campaign will further become positive."

ARSHAN FESTIVAL PLANNED

Domei

HSINKING, July 26.—The festival at Arshan Holy Place in eastern Mongolia will be held on August 5 for two days. It was suspended immediately after the Nomonhan Incident in 1939 and the rites were revived last year for the first time. This year's festival will be celebrated under the joint auspices of the Hsingan Provincial Government and the Concordia Association.

The festival will start with quaint Lama opening rites. The second day festival will be enlivened by colorful entertainments, such as Mongolian wrestling and dancing, thus unfolding the gay and picturesque scene at the western foot of the Hsingan range.

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HEROIC DEEDS TOLD OF TAKADA AIR UNIT

Enemy at Wiak Confounded by Furious Attack of Citation-Winning Airmen

For the heroic action of eight Army airmen headed by Major Katsushige Takada, in sinking two enemy destroyers and damaging two others by deliberately crashing their planes into the enemy warships on May 27, when the anti-Axis forces commenced landing on Wiak Island, a citation was granted as was announced by the War Ministry on Tuesday.

Eulogizing the gallant exploits of Major Takada and his seven airmen, Major Masamitsu Mori, a friend of the late Major Takada, spoke over the radio on Tuesday night, giving an account of the fearless aerial attack against the enemy warships, as follows:

"The American forces who had been designing to effect landings on Wiak Island since the latter part of May, commenced operations on May 27 under cover of furious bombardments and bombings. Major Takada and his heroic men were then stationed at a certain base with the task of escorting a convoy. On receipt of report that the enemy had started landing on Wiak Island and that the Navy Air Force had already moved into action, Major Takada, as Unit Commander, led his men, ordering them to destroy one warship with one plane.

"Though the Navy airmen had started action, Major Takada could not bear to remain inactive. Taking the initiative, he decided to lead his men in aerial attacks. Unit Commanders are allowed to take the the initiative in case of emergency without waiting for orders from their superiors. With firm confidence that he was doing the right thing, Major Takada moved into decisive action, determined to crush the enemy at the cost of his life.

Speed Toward Wiak Island

"Giving his last order to his men, he hopped off from the base accompanied by his subordinates. Maintaining a low altitude, our Attack Unit headed northward toward Wiak Island. Low clouds overhung the skies, amidst which, over 10 enemy fighter planes were detected cruising at a 1,500-meter altitude. Further lowering their altitude, our fighter planes sped toward the island, fortunately, without being discovered by the enemy air force. In the waters, southeast of Wiak Island, some 14 enemy vessels were seen anchored in two lines, headed by destroyers.

"Losing no time, Unit Commander Takada ordered his men to attack the enemy vessels, he, himself, pouncing on one of the destroyers. Responding to the challenge by the Japanese airmen, the enemy anti-aircraft batteries began to roar, pouring out a 'squall' of shells. Defying the enemy's barrage, the Unit Commander scored an accurate hit on the enemy destroyer which headed one of the lines. The damaged vessel began to spurt black smoke from its stern.

"Major Takada's plane was hit by an enemy bullet in its left engine, but, nothing daunted, the Commander attacked another destroyer which also started to spout fire from amidship. As he directed a strafing attack on the same destroyer, an enemy P-47 pounced on the Commander's plane. Furiously roaring, our guns emitted a streak of fire against the P-47 immediately shooting it down. Taken aback by the violent Japanese assault, other enemy machines attempted to escape, but another was soon brought down by the Japanese.

"Just then, the Commander's plane was seen emitting fire from its right engine and Major Takada, hit in his shoulder was no longer able to continue action. Informing his assistant of his resolve to crash his plane, he directed its nose straight toward the water and thus, met heroic death.

Others Follow Commander

"However, the Commander's assistant miraculously returned to the base, after drifting on the waters for two days before he was finally rescued by native inhabitants. According to his reports, the plane maneuvered by Sergeant Takahiro Kudo scored sure hits on the enemy destroyer which had been damaged by the Commander's attack and sent it to the bottom of the sea. He, himself, plunged into the water together with his plane which was then enveloped in flames, thus meeting valiant death. The fact that Lieutenant Toshio Okabe also shared the heroic death of his Commander by crashing his plane against an enemy destroyer, was also revealed. The enemy vessel immediately sank, due to the explosion of its powder magazine.

"Sergeant-Major Chugo Matsumoto, who had been also blasting the enemy vessels, saw that the enemy had started landing and switched his attack toward the landing forces, but hit by the enemy anti-aircraft fire, his plane was fatally damaged. Realizing his predicament, he too, plunged his plane toward the enemy landing forces.

"As a result of the aerial attack by the Takada Fighter Plane Unit, two destroyers were sunk, two others were set ablaze and two P-47's were brought down. Astounded by the bravery and fearlessness of the Japanese airmen, even General Douglas MacArthur, Commander-in-Chief of the anti-Axis Forces in the Southwestern Pacific is reported to have admitted the dauntless attack by the Japanese airmen.

"The outstanding exploits achieved by the Takada Unit have produced a profound impression on other Army Wild Eagles who are now discharging their assigned duties in the same fighting spirit as manifested by the eight heroes of the air, headed by Major Takada."

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Cable Briefs

FRENCH FARMERS DISLIKE ANTI-AXIS AND DE GAULLE

French farmers in Normandy frankly declared that they did not like either the anti-Axis or General Charles de Gaulle, head of the French Committee of National Liberation, according to the special correspondent of the Sunday Times after talking with several well-to-do farmers in the invasion zone.

The correspondent stated that there were many who actually loathed De Gaulle whom they accused of being much too leftist. In their opinion, the anti-Axis were not at all justified in continuing attacks against Marshal Philippe Petain, Chief of State.

FUEL FOR U.S. CIVILIANS TO BE GREATLY CURTAILED

The allotment of fuel, coal and wood for persons in the United States will be considerably curtailed due to the growing demands made on these commodities by the United States army, according to an intercepted American radio broadcast which states that there will be 15,000,000 tons of soft coal and 5,000,000 tons of hard coal less this year for household use.

HORSE-DRAWN CABS RETURN TO AUSTRALIAN CITIES

The shortage of taxis caused by lack of gasoline, tires and manpower has brought horse-drawn cabs back into business in Australian cities. Already 34 horse-cabs are operating in Melbourne. One man is driving a four-wheeler bought by his father in 1892. At the moment it costs £80 or about $300 to build a fairly good vehicle.

Melbourne cabs are operating under the city's by-laws passed 64 years ago and at least 19 of the 81 clauses relate to the speed and conduct of cabbys and passengers.

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AMERICAN LOSSES DEMORALIZE NAVY

Huge Saipan Casualties Cause Admirals King, Nimitz to Personally Comfort Men

Domei

SHANGHAI, July 26.—On the basis of the latest statements and movements of the United States naval leaders, the heavy American losses at Saipan which are an all-time record in the United States history, must have greatly demoralized its officers and men, declared Captain Keizo Matsushima, Chief of the Naval Press Bureau here, at the regular press conference yesterday afternoon.

He pointed out that the losses sustained by the United States invasion forces at Saipan were so great that Admiral Ernest J. King, Chief of the United States Naval Operations, and Admiral Chester Nimitz, Commander-in-Chief of the United States' Pacific Fleet, were compelled to personally visit the island to pep up the American servicemen.

The Navy Spokesman said that according to a San Francisco broadcast, Admirals King and Nimitz visited Saipan Island, and after inspecting the island, held a lengthy conference there.

Nimitz later predicted that a big naval battle will be fought in the near future, Captain Matsushima added. It is within the bounds of common sense of present-day naval strategy to predict that, as the Americans claim, Saipan Island might be converted into a bomber base and the American armed forces able to launch new operations against Japan within a circle of 1,500 nautical miles with Saipan as center.

"Japan on her part," he declared smilingly, "accept the enemy's challenge, confidently working out her strategic plans with high elasticity. With these strategic plans which will incorporate valuable lessons gained from recent operations in the Pacific, our Navy will engage the enemy in a decisive battle to determine the turn of events and will lead Japan to her final victory."

Koiso Sees Ministers

Prime Minister General Kuniaki Koiso conferred with Lieutenant-General Harushige Ninomiya, Education Minister, Hisatada Hirose, Welfare Minister, and Taketora Ogata, President of the Board of Information, at his official residence Wednesday morning.

Haneda Replaces Kotaki

Takeshiro Haneda has been appointed private secretary to the Transportation and Communications Minister, replacing Akitada Kotaki who has been relieved of his post at his own request, it was announced by the Transportation and Communications Ministry, on Wednesday.

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NIPPON SEAMEN VISIT P.I.

7 Graduates of Karatsu Institute Stop Over En Route to South

Domei.

MANILA, July 26.—Indicating a brilliant future of merchant marine of Greater East Asia, seven graduates of the Karatsu Seamens' Training Institute in Saga Prefecture, Japan, arrived here on July 23 en route to their respective homes in Malai, Sumatra and Java. The youths will pioneer in the development of the merchant marine in their respective regions.

These students were selected from among the 1942 graduates of the Seamens' Institute in Shonan and were sent on scholarship to Japan.

Following courtesy calls in Manila, the party visited the Philippine Seamens' Institute in Pasay to inspect various facilities.

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TOKYO, THURSDAY, JULY 27, 1944

British Hypocrisy In India

Recent dispatches from Lisbon report that a group of twenty-seven prominent Indian leaders issued a manifesto on India's food situation reminding the British rulers of the inevitable repetition of last year's dreadful famine conditions unless they take adequate and timely steps to ward off such a disaster. These leaders are of the opinion that the Government of India has so far taken no effective steps to guard against the repetition of last year's famine conditions and that should such conditions recur, the responsibility will be on the British authorities in London.

Be that as it may, two outstanding characteristics of British rule are to be noted in connection with India's food question. One is the utter incompetence, wilful or otherwise, of the British administration of India in coping with recurring frightful famines. And the other is the amazing readiness of the British to attribute the "primary and statutory responsibility" for famines to the Indian provincial governments, asserting that "those governments have enjoyed self-governing administration".

The British authorities cannot afford to admit their own administrative incompetence primarily because of their typical imperialistic pride. Accordingly, it is reported that the Government of India promulgated an ordinance providing for the constitution of a commission of inquiry "to investigate and report to the Government General in Council" upon the causes of the 1943 food shortage and subsequent epidemics.

The motive that prompted the Government authorities to promulgate this ordinance should be clear to everyone. Needless to say, the proposed inquiry commission is being contemplated as a gesture on the part of the British rulers to camouflage their own incompetence and to make the Indian people believe that they are truly interested in the welfare of the four hundred million people of India.

It would be sheer folly, therefore, to expect any constructive accomplishments to emerge out of the inquiry commission. As a matter of fact, it is quite apparent that not one of the twenty-seven Indian leaders who issued the aforementioned manifesto entertains any hope in the proposed commission. Moreover, Mahatma Gandhi made it amply clear in his reply to the Viceroy's letter a few months ago that the leaders of the Indian National Congress too "have no faith in the competence of the government to ensure India's future good". And Mr. Gandhi tersely states that his unequivocal verdict on the utter incompetence of the British "is based upon the bitter experience of the past and the present conduct of the British administration of India".

British misrule of India has been made more clear by the League of Nations Monthly Bulletin which was published early this year. According to this document, the people of India had the lowest life expectancy of any country in the world during the pre-war period. For example, the Bulletin shows that the pre-war life expectancy of males in England was 60 while that of males in India was only 27; and the pre-war life expectancy of females in England was 64 while that of females in India was 26. Needless to say, these indisputable facts bear most eloquent testimony to the centuries-old British misrule of India.

Nevertheless, the British would flatly deny their own responsibility for the chronic national disaster of Indian people. Attention may be called to what Leopold Amery, Secretary of State for India, stated last October in the House of Commons regarding the miserable state of affairs which then prevailed in India. More than a thousand Indians were dying each week on the streets of Bengal alone, he stated, but he added that it was not practicable to relieve the situation. Again in January last, referring to the after-effects of continued malnutrition, Amery stated that cholera was believed to have taken 200,000 victims in the preceding month in the Province of Bengal alone, and malaria was unusually widespread as was dysentery likewise.

These statistical facts, however, are quite impotent to arouse Amery's sense of responsibility and the obligation vested in his office. As far as he was concerned, the Bengal Government alone was to be blamed for the frightful situation because it refused help from the other provinces and from the Central Government. Furthermore, the Secretary for India was reported to have declared that for the Central Government of India to have interfered prematurely in the situation would have been contrary to all the principles of the expansion of Indian freedom!

Who in the world is not aware of the fact that all the principles of the expansion of Indian freedom have utterly and completely been tramped down by the British? As a matter of fact, the whole world knows that "the elementary liberties that make life tolerable have been taken away from the inhabitants of India for the crime of desiring self-government", as Professor Bertrand Russell once declared. And yet the British rulers dare say that they would refrain from interfering with the expansion of Indian freedom. This seems to be the British gentlemen's way of shifting their own responsibility to others and of camouflaging their wilfull incompetence.

SONGS FROM PRISON

By MAHATMA GANDHI

Grant me,
My God,
To love the fellowship of those thou lovest,
Of those whose hearts are set to thy will
In truth and goodness:

Such fellowship
Bears bounteous fruit of inward bliss:

Thou lovest, Lord, to grant the prayers,
To satisfy the heart's most secret cravings,
Of those whose minds are bent to worship thee:

To those who love thee
Thou bringest in the end
All joy.

* * *

O thou, my soul's Beloved,
I run to thee for refuge:

Wisdom or learning have I none,
Nor power, nor riches:

My trust is in thy love alone:

Ocean of Mercy, thou hast lifted me,
And borne me up, from the abyss:

A little child am I,
I run to grasp thy aiding hand:

Forget me not, my Lord,
Who am so helpless:

Hold me, for ever safe,
Thy slave:

Beloved of my soul,
I stake my all on thee.

A Year Ago Today

July 27, 1943

Adding to the woes of Chungking regime is the latest selling of the none too abundant military supplies by the soldiers to replenish their own pockets. Reasons for these acts were given as lack of discipline in Chiang Kai-shek's army and increasing difficulty in living.

* * *

In a radio address today French Premier Pierre Laval formally announced the formation of the First Regiment of France. This means that the first military organization since the dissolution of the French Army last November has been created. The soldiers of the Regiment are those who volunteered in the fighting services in 1939, and graduates and students of universities as well as technical colleges.

* * *

The area under agricultural cultivation in Holland increased during 1942 by about 220,000 acres and the area devoted to horticulture by some 32,000 acres, according to official statistics. This means an increase of 15 per cent since 1936.

* * *

A British submarine was lost in the Mediterranean and 47 members of the crew were taken prisoner, the British Admiralty announced today. The date of the loss and other details, however, were not made public.

CREATION OF EAST ASIA AGRICULTURAL BLOC

Foreign Competition Checks Weak Nations' Progress

By SEIICHI TOBATA
Professor of the Tokyo Imperial University

There exist in the various parts of the world different economic blocs, one centering around Japan, and another with Germany as its nucleus. If these economic blocs should aim at exploiting some backward nations by sacrificing them for their own purposes of prosperity, then there would be practically no difference between them and the British or American blocs, especially with British predatory economy which flourished during the 18th and 19th centuries.

The traditional laissez faire method practised by Britain would be utterly inadequate, nay, highly prejudicial, to the new demands of the times for the development of a bloc economy at present. There is a mistaken idea that this principle means that everything should be left alone in their natural course, but this is not so. A strict line of demarkation exists between those which are to be left alone and those which are not. For example freedom was recognized for the general movement of economy but government measures were adopted and carried out in respect to certain economic conditions. Such a policy as this may be said to have been adequate for Britain which had just discarded its feudalistic garment. However, with the opening of the 20th century there appeared newcomers in the area of world economy such as Germany, the United States and Japan who came to prove formidable rivals of Britain.

Rise of Small Industries

These newly risen nations faced the problem as to whether they could make a similar economic development by adopting the British method of economic growth. They had the necessity, above all, of maintaining order and of stabilizing their economic conditions. They also faced the danger of being vanquished by the more formidable economies of these rising nations. It was Friedrich List of Germany who explained the character of the economics of these rising naions. His main thesis was to study the right method of cultivating infant industries. In other words, the means to be adopted by backward nations for the development of their economy included something more than those for the advanced nation.

It was maintained that, if economic conditions are let alone in their natural conditions, the nascent industries would be nipped in the bud by the crushing competitive power of other advanced nations. In order to put some sort of handicap on them so that the infant economies of the backward nations might be placed in equal conditions, tariff protection was contrived. Thus the economic development of Japan, Germany and the United States became possible of attainment.

It is an undeniable historical fact that the backward nations which have been surrounded by advanced nations have been unable to make their independent economic development. Examples may be found among the countries of South America, of the Balkans and some countries in East Asia, although all of them enjoyed political independence. The dominant characteristic of these backward nations in the present century is found in the various forms of interference by advanced ones within the former's territories in the forms of investment and application of their industrial technique. In other words, the economic advancement of these backward nations has been made through the competition of advanced nations within their own territories. In East Asia such examples have been furnished by China, Thailand and the former Dutch East Indies.

Freedom Periled

Under such semi-colonial conditions was the economic development of China and Thailand made, in the interests of the advanced nations. Moreover, this economic competition among the advanced nations was accompanied by a keen political rivalry among them and thus the backward nations were thrown in a condition of great confusion. As a result of all these economic and political rivalries, the independence of the backward nations in the 20th century world was perilously menaced.

Thus, one of the important problems of East Asia is to defend the backward nations in its area. It is natural that they should wish to discard their semi-colonial status and become full-fledged independent nations and at the same time to make their respective economic developments. But in order to achieve such developments, they will have to seek the assistance of some powerful nation. With only such aid, can they hope to escape from the disturbing influence of other powerful countries which are in competition with them.

(To Be Concluded)

America's 'India'

Designs in Latin America Aimed at Turning Area Into 'Treasure-House' of Vital Resources

By MOMOICHI KAMIFURU

Part I

America is notorious for her impertinence and arbitrariness. She dared to declare, even before the outbreak of the present war, that her first line of defense lay on the Rhine. After she entered the conflict, she lorded it over North and West Africa, and as she advanced farther eastward, she chose to dub West Asia her life-line, this assertion causing some trouble with Britain. In East Asia, America has been leading the Chungking regime by the nose with the set purpose of extending her influence over this part of the world at the latter's sacrifice. In the Pacific, she is secretly contriving to perpetuate possession of the islands which she has so far brought under her control. Nor is this all. She has the ambitious design of establishing her permanent sway over Australia and New Zealand. In the face of these facts, it excites little wonder that this greedy country should be pursuing toward the Central and South American countries a most barefaced policy of subjugation without any sign of compunction.

As everybody knows, America depends upon her enormous material resources for the prosecution of the war. Indeed, her Lend and Lease policy, which is the mainstay of her ambitious design of world conquest, would be impossible without the stupendous material supplies which she has at her command. It must be remembered, however, that America owes her mighty material strength to the rich resources of Central and South America. About 60 per cent of America's strategic materials is, in truth, supplied from this source. Particularly noteworthy is that America is now obtaining from Central and South American countries rubber, tin and quinine which she used to get from East Asia before the war.

Among the other essential materials which America cannot produce in sufficient quantities to supply her own demand are antimony and manganese and for the supply of these she has been looking to Latin America which is also rich in minerals containing rare elements essential to modern scientific warfare. Thus, it will be seen that America owes her favored position as "the arsenal of the democracies," a position which enables her to supply war materials to Britain, the Soviet Union and Chungking, and which she is using as the lever to compass her inordinate ambition of dominating the world, to the abundant supplies of materials forcibly extorted from Central and South American countries. Such being the case, the policy of enthralling these countries which America is pursuing both for prosecuting the war and for promoting her ultimate object of dominating the world deserves special attention.

A Treasure-House

America's policy toward Central and South America is, in brief, intended to convert them into a second India. India with all its plentiful resources is, as everybody knows, exploited by Britain as her "treasure-house." Now, America, with her covetous eyes fixed on the inexhaustible resources of Central and South America, is contriving to do the same in the Western Hemisphere.

Just as Britain has been squeezing India to promote her imperialistic policy, so is America bent on advancing her selfish interests at the sacrifice of the Central and South American countries. Britain is taking from India, in the present war, as she did in the former Great War, as much as possible, while giving it nothing in return. Even in time of peace, the ships plying between Britain and India were carrying to India only small quantities of commodities essential to Indian life, while on their voyage to Britain they were always laden fully with Indian goods. In other word, Britain resorted to every cunning means conceivable to squeeze the Indians, to the latter's indescribable misery.

America has been taking a leaf out of Britain's book in shaping her course in the present war. While exacting as much as she can from Central and South American countries, she has been withholding from them, on one pretext or another, such goods as she has promised to give. The result is that, in trade relations, there is a great excess of exports over imports on the part of these victimized countries. This grabbing policy of America is naturally causing among the wronged nations high discontent and immense suffering.

In the first Great War, Britain inveigled India into the war with the bait of promise of independence after the war. Realizing the difficulty of entrapping the Indian people again, Britain has this time forced India into the war without previous consultation. As for America, she has managed, by free recourse to Machiavellian devices of all sorts, to induce all twenty countries in Central and South America to declare war upon or sever diplomatic relations with the Axis Powers.

No Interference

In executing her imperialistic policy, Britain takes special pains to see that no outside Power interferes in any way with Indian affairs. In the present war, however, her inability to meet the situation unaided compelled her to solicit the cooperation of American troops with her own army in India. It will be observed that Britain, making an arbitrary interpretation of the Atlantic Charter, as she once did in regard to the Kellogg Pact, has declared that it does not apply to India.

America is similarly very jealous of Central and South America. Anything concerning those territories puts her on the alert, and she makes a point of dragging in the Monroe Doctrine to prevent any outside country from the slightest act of intervention in their affairs. America's policy, as already noted, aims at converting them into a second India, but this is yet to be carried out and it is not likely that she can achieve this object in the immediate future. For, whereas India forms an integral part of the British Empire, the Central and South American countries are unquestionably independent States, in name at least, if not in fact.

America's policy of extortion toward these countries is not accordingly so perfectly systematized as Britain's India policy. Strategic bases are not open to America's utilization so fully as those in India are for Britain. Nor is America in a position to employ their troops for war purposes as she wishes.

Though different in outward form, America's policy toward Central and South America tallies in its methods of execution with the policy Britain adopted in absorbing India. Britain adopted both strong and conciliatory measures according to circumstances and in consideration of the conditions prevailing in different provinces in India. Sometimes she made armed interference and sometimes she resorted to coaxing tactics. By bribing Indian magnates, inciting revolts and resorting to other underhand tactics, she caused internal disorder or disintegration for her own benefit. Sometimes, she set rival Indian princes against each other so that she might fish in troubled waters. At any rate, by free recourse to all manner of questionable means, she finally achieved her object of controlling India.

Differences in Situation

Belonging, as they do, to the same Anglo-Saxon race, the Americans are no better than the British. If American policy presents different aspects in form, it is simply because we live in a more advanced age and also because both the circumstances surrounding Central and South American countries and their national conditions are different from those of India. Different circumstances naturally demand different tactics. In short, though the same in purport, the American policy is of perforce tempered in consideration both of the spirit of the age and of the conditions peculiar to the countries for which it is intended.

The history of the Monroe Doctrine for the past 120 years is virtually one of crimes perpetrated by America against Central and South America under the guise of the champion of peace and freedom.

In 1836, America made Texas independent of Mexico and then annexed it in 1845. In 1848, she provoked a war with Mexico and by defeating that country, despoiled it of the extensive territory of the present Arizona, Utah, Navada, California and New Mexico. More recently, America fixed her mind on the cutting of a canal in Panama with a view to furthering her imperialistic policy, and, with this end in view, instigated a revolution in that zone in 1903. This, as planned, led to the independence of Panama from Colombia and to the bestowal on America of the right of constructing the Panama Canal. In 1907, America occupied Haiti by taking advantage of the outbreak of a revolution in that country, and afterwards proceeded to convert it into her virtual protectorate to all intents and purposes. In 1909 and in 1911, she made armed interferences in Nicaraguan affairs, this paving the way for her acquisition of the right of cutting a Nicaraguan canal. In 1916, she caused a revolution in Dominica and occupied the country by armed force. These are some of the notable examples of the way in which America has pursued her so-called Caribbean policy. There are many other instances where America resorted to all sorts of chicanery to cause domestic troubles in Central American countries to promote her selfish ends. By bribery, intervention in domestic affairs, interference with elections or by withholding recognition from the governments not favorably disposed toward her, America has reduced the Central American or the Caribbean countries to be more exact, to a status of protectorate for all practical purposes. In this way, she has enforced what is called "Big Stick" policy in all its severity.

(To Be Concluded)

AMERICAN REALISM IN CHINA

Insatiable Greed Revealed as U.S. Abandons Sentimentalism

Editor's Note: The United States has been heaping attacks and denunciations in various forms upon Chungking. Its real intention is to bring pressure on the puppet regime by means of intimidation and interference in the domestic affairs. America is trying to use the Chinese continent to attain her inordinate ambitions. The following article was written by Fukuhei Fujita on the deception and cruelty manifested in dealings with the Chiang Kai-shek regime.

Although various changes have been shown by the China policy of the United States through the China Incident down to the Greater East Asia War, one of its important factors was sentimentalism, which was a sort of sympathy for the weaker party. Learning by actual combat the strength and valor of Japan since the outbreak of the Greater East Asia War the United States was naturally astonished at the five-year record of resistance on the part of Chungking.

Having thus recognized the military power of Chungking, the United States gradually abandoned her sentimental notions and began to show her imperialistic teeth with grimness, which consists in placing Chungking completely under her control in order to make the continent a springboard for general attacks on Japan, and in crushing the Chinese nationalism, in order to place China under the fetters of American plutocracy.

Discontent Over Aid

But the American policy of imperialistic ambitions must pass several stages before it attains its objective. First, the United States must appease Chungking which has been showing its dissatisfaction over the American principle of "Europe first" and the small amount of weapons and material being sent by America under the Lend-Lease arrangements. Thus was General Chiang invited to the Four-Power Conference at Cairo and assured that his regime would be entrusted with the disposal of East Asian affairs after the war. Now in the second stage, the United States has been bringing various forms of pressure to bear upon the Chiang Kai-shek regime.

American pressure on Chungking is caused by her self-conceit of her power to end the current world war in a short space of time. She believes that the Second Front operations must be carried out to end the war in Europe quickly and that general offensives against Japan from the Chinese continent must be undertaken to end the Pacific war quickly. To put this undertaking into effect, the United States must first be able to manipulate Chungking as she pleases. Thus, began American pressure on the Chiang Kai-shek regime.

American pressure on Chungking has been manifested during the last several months in the form of public opinion in the United States. The first case of American criticisms that reached us was given by the American magazine New Republic, whose arguments may be summarized as follows: "If Chungking should continue to be chiefly concerned about fighting the Chinese Communist Army and thus keep its main army idle, it will be faced by a fate similar to that which happened to General Mihailovich in Yugoslavia. If Chungking should have the Communist Army fight the Japanese Forces while its own army remains in a mere posture of confrontation with the Japanese without taking any positive action, the Anglo-American authorities will have to support Yenan instead of Chungking, General Tito instead of General Mihailovich."

Hit Dispute With Reds

A similar denunciation of the policy of the Chungking regime was made by the New York Times on April 16. Such arguments amount to interference in China's domestic affairs by means of downright intimidation. Another tirade against Chungking has been made by the American press to the effect that the anti-Japanese war front has been disrupted by the prevailing strife between Chungking and the Communist Party, the responsibility of which is to be found on the side of Chiang Kai-shek. Many critics also denounce Chiang's policy of controlling the Chinese students in the United States as an indication of his being fascistic in tendency. A United Press dispatch from Boston on this matter said:

"The Chungking regime is exercising strict control on the thought of Chinese students in the United States and has recalled those who have not measured themselves to the principle of the Kuomintang. The ordinance concerning it as published in the Chinese paper Ta Kung Pao in October, last year, is irreconcilable with the general principles of liberty for which the anti-Axis nations are fighting in East Asia."

Moreover, the evils bound up with Chungking such as the vicious inflation, the open practice of bribery among government officials and military officers, speculative hoarding and black-marketing have been widely discussed by the American press and new cases of such evil practices have been reported one after another.

In the midst of such anti-Chinese sentiments in the American public, Vice-President Henry Wallace accompanied by J. Vincent, head of the Chinese Section of the State Department and O. Lattimore, vice-director of the Overseas Department in the United States Office of War Information, has made a visit to China. His mission is clear enough. The Observer has stated that his trip indicates the new American attitude towards Chungking—a change from sentimentalism to realism, by which is here undoubtedly meant America's insatiable imperialism concerning China.

KUO HSIU-FENG VIEWS WARTIME JAPAN

Nanking Official Condemns Chiang for Continuing Resistance

By KUO HSIU-FENG
Vice-Minister of Publicity of the National Government of China

Editor's Note: Kuo Hsiu-feng, who visited Japan in response to an invitation from Mr. Furuno, President of the Domei News Agency, has expressed his impressions of Japan as follows:

The fervid fighting spirit of the Japanese people and their unshakable strong faith in the victory of their cause, I think, is unimaginable to the enemy nations. During my railway journey from Fukuoka to Tokyo, I was deeply impressed by the sight of Japanese people, man and woman, old and young, working so hard and with such self-contented air. The orderliness with which they carried out their work and their well-disciplined attitude bespoke of their inward firm determination to prosecute the war successfully.

The production of materials for war and civilian demand is daily increasing, while the livelihood of the nation is stabilized, thanks to the smooth working of the distribution and control systems. There has also been a marked improvement in the efficiency of industrial production to meet the growing wartime requirements. America and Britain are boastful of their high productive power, but Japan's productivity compares favorably with that of any country.

Following the enforcement of her new China policy, Japan concluded a treaty of alliance with China and she has been giving China positive aid for her independence and emancipation. This Treaty of Alliance embodies the highest policy regulating Sino-Japanese relations. What Japan expects of China is simply her cooperation in the prosecution of the war and in the speedy restoration of independence to East Asia. Nothing can, therefore, be more deplorable than that the Chungking leaders are showing themselves so oblivious of their rightful duty as East Asiatics as to sacrifice themselves to be made the cat's paw of America and Britain.

Although my present visit to Japan has been brief, I have nevertheless received very deep impressions. I could not but admire the efficiency with which work in all fields were being carried out. I was, above all, struck most forcibly by the fervid fighting spirit with which the whole Japanese nation is permeated, and I am now convinced more strongly than ever that the successful prosecution of the war by Japan and China in close cooperation will bring infinite blessing to East Asia.

Fruits of Wisdom

The wish falls often, warm upon my heart, that I my learn nothing here that I cannot continue in the other world; that I may do nothing here but deeds that will bear fruit in heaven.—Richter.

* * *

Evasions are the common shelter of the hard-hearted, the false, and the impotent when called upon to assist; the real great, alone plan instantaneous help, even when their looks or words presage difficulties.—Lavater.

* * *

Where the speech is corrupted, the mind is also.—Seneca.

* * *

Of all our faults, that which we most readily admit is indolence.—We persuade ourselve that it cherishes all the peaceful virtues, and that without destroying the others it merely suspends their functions.—Rochefoucauld.

DOMESTIC POLICIES OF THE REPUBLICANS

No Clear-cut Changes Seen From Democratic Program

The Manchester Guardian correspondent in New York reports on June 20 as follows:

The domestic policies of the Republican party are not yet known in their details, but their broad outlines are already discernible. The first thing to note is that for many decades there has not been any great difference between the Democratic and Republican parties. Certainly the conservative wings have been much closer to one another than either has been to the liberal elements within its own parties.

The New Deal was forced to introduce a somewhat larger degree of governmental interference with private business than previously existed, but fundamentally the Democratic party remained just as firmly committed to private capitalism as the Republican one. The great bulk of Americans of both parties would be shocked beyond words by the amount of state interference that is commonplace in Great Britain. Americans will hear during the summer vast amounts of oratory about the iniquities of the New Deal, but surprisingly little will probably be done to repeal New Deal legislation if the Republicans should elect a president and obtain control of both Houses of Congress.

Anti-union elements are largely concentrated in the Republican party, but for political reasons the fundamental law authorizing collective bargaining will not be repealed or even modified except to a slight degree to give the employer a little more right of free speech with his employees. The real assault upon trade unions will come with the depression, when many employers hope to return to complete "open shop" conditions.

It is ironic that on the issue of federalism and states rights the two chief political parties have completely reversed their roles. The Republican party came into being in the North just before the American Civil War in opposition to letting the southern states secede and naturally continued to stand for federalism. The Democratic party had its main strength in the South and continued to support the doctrine of states rights. With the Roosevelt adminisration, however, these roles have been completely reversed.

Will not Change

Roosevelt found that only the federal machinery was strong enough to curb powerful capitalist enterprises which were nationwide in their activities. The heads of these enterprises naturally began to demand that they be regulated only by states, and they managed to carry the Republican party with them. The best available judgment is, however, that should the Republicans come into power they will find it necessary to keep on with most of the federal activities that the Democrats initiated.

The Republicans are talking a great deal nowadays about "free enterprise," by which they mean unrestricted private industry, but just what they would do to carry this moral crusade into effect is not quite clear. Although there is now a dispute within the party, between high tariff and low tariff elements, nobody wants the government to take its hands off and introduce complete free trade. Republican policy, therefore, seems to come down to a matter of lower tax rates, with perhaps the abolition of excess profit taxes.

Having committed themselves to the theory that the Roosevelt administration is recklessly extravagant, the Republicans would probably dismiss a few federal employees and spend less money on public works in a period of depression. American economists of the Keynesian school believe that if the Republicans are in power when the war ends, there will be a short period of great prosperity while industry catches up with the delayed demand for consumer goods such as motor cars and electric iceboxes, and there will then be a depression of unparalleled intensity. Economists believe a similar development will take place if the Democrats are in power, but that it should be somewhat less severe.

Thoughtful Republicans are concerned about this possibility. They realize that when they demand "free enterprise" they also assume responsibility for unemployment if it takes place. Studies in this field have been made by a committee for economic development which, while technically non-party, in fact is dominated by Republicans. Johnston warned his fellow-businessmen that they must not permit another bad depression. Thus far, however, no one has any clear idea what the Republicans can do now that they did not do when they were in power between 1920 and 1929.